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ESTABLISHED 1887

Kohl Misstated Soviet Pledge

He Apparently Exaggerated Political Prisoner Plan

By Robert J. McCartney

Washington Post Service

BONN — Chancellor Helmut Kohl overstated Soviet willingness to free political prisoners during his trip to Moscow last week, and the gaffe apparently resulted from a communications breakdown between him and Foreign Minister Hans-Dietrich Genscher, government sources said Monday.

The sources also said that the Kohl administration had stepped up a diplomatic campaign, target-

The Soviet Union is preparing laws that will make it easier for citizens to emigrate, according to Justice Minister Boris V. Kravtsov. Page 2

ed mainly at the United States and Britain, on behalf of Soviet proposals for a human rights conference in Moscow in 1991 and for a summit meeting on European conventional forces.

West Germany is carefully staying within the boundaries of the North Atlantic Treaty Organization's positions on Moscow's initiatives. But it is openly responding more positively than the United States or Britain to proposals now at the center of

what is frequently called the Soviets' continual "charm offensive" in Western Europe.

Signs have accumulated that Mr. Kohl erred in saying at a news conference Wednesday that the Kremlin was ready to release all people regarded by the West as political prisoners by the end of the year.

In fact, the Soviets' assurances were considerably less sweeping, government sources said.

The Soviets apparently meant that they would release people held under two Soviet legal articles, the sources said. Western countries, however, also consider political prisoners to include some people confined in mental institutions and those held in cases related to religious beliefs.

The Soviet foreign minister, Eduard A. Shevardnadze, reaffirmed to Mr. Genscher an earlier position that steps would be taken so that no one in the West would be able to say by the end of the year that the Kremlin was holding political prisoners, the sources said.

The Soviets have said that the number to be released is in the dozens, while the United States

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Labor Fears Backlash at Polls After Attack on an Israeli Bus

By Joel Brinkley

New York Times Service

JERUSALEM — The Israeli Labor Party realized its worst nightmare on this election eve as millions of voters prepared to go to the polls on Tuesday with their heads filled with the images of a father grieving over the deaths of his wife and three babies, who were killed Sunday night in a firebomb attack.

The Labor Party canceled all 15 of its final campaign appearances scheduled for Monday as a sign of mourning for Rachel Weiss, a 26-year-old elementary school teacher,

and her three children, aged 3, 2 and 10 months.

They were burned to death when Arabs ambushed a bus with five firebombs just outside the West Bank town of Jericho.

The army arrested three Jericho residents who military officials said confessed to the attack, telling interrogators they planned it several days ago. The army said only that they belonged "to a local organization."

Their homes were destroyed, and on Monday afternoon the military used bulldozers to uproot olive trees along the side of the road where the attack occurred.

Political figures of the left and the right began discussing instituting the death penalty for crimes such as this one. Israel has no death penalty now.

Defense Minister Yitzhak Rabin said Monday he had learned that an army vehicle had passed the spot of the ambush, just outside the West Bank town of Jericho, moments before the civilian bus was bombed. Monday that Labor Party polls

Since the ambushers made no attempt to attack that vehicle, he said, "there's no doubt the murderers meant to strike civilians."

Mr. Rabin made no predictions about how the attack would affect the elections. But several weeks ago, referring to such attacks in general, he said: "I learned a long time ago that Arab extremism only feeds the Israeli right extreme."

Amnon Rubenstein, leader of the small leftist Center-Shinui Party, said, "This is the best gift that the extreme right could receive on election day."

Polls as late as last Friday showed the Labor Party and the Likud bloc caught in a tie. Surveys have shown a virtual tie since late summer, but analysts have said all along that an event such as this on election eve could break the deadlock.

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Despite Pressure to Assimilate, Soviet Moslems Keep Identity

By David Remnick
Washington Post Service

TASHKENT, U.S.S.R. — Five times a day in the cotton fields of Central Asia, as in Siberia and Azerbaijan, Soviet Moslems hear the public call to prayer.

Only some heed it: The vast majority of the country's 45 million Moslems do not visit mosques regularly. But Islam is nevertheless thriving in the Soviet Union.

Islamic culture persists in the face of the Communist Party's best efforts to stifle it, and the population growth of Moslems in Central Asia is five times higher than that of Russians, the nation's dominant and most populous ethnic group.

Government-sanctioned Islamic leaders mouth their fealty to the state — and even expand happily on the supposed similarities between Marx and Mohammed — but Moslems have resisted ethnic assimilation better than any other major group, according to Western and Soviet experts.

Moscow's concern — at times its profound anxiety — is evident. Even at a time when President Mikhail S. Gorbachev has shown more tolerance toward Christian churches, the Kremlin remains deeply suspicious of the Moslem population boom and the pervasiveness of a culture it deems "feudal and retrograde."

Evidence of this deep-rooted cultural identity is usually subtle and full of contradiction.

The other day, in the oldest section of Tashkent, a standard-issue Soviet wedding limousine pulled to a stop. The young couple inside — she in a billowing Western-style gown, he in an eratz Brooks Brothers suit — seemed at first no different from the scores of Russian couples in Moscow who say their vows at a state wedding palace or then make a pilgrimage to the hush and gloom of the Lenin Mausoleum.

But this couple had been married by an imam, a Moslem cleric, and were now paying their wedding respects to a deity more ancient than Lenin.

"We're not religious, but we are Moslems," the groom said, leading his bride through the gates of one of Tashkent's few open mosques.

Like nearly all other Moslems, the couple will doubtlessly defy Soviet norms by having their future sons circumcised and by celebrating a Moslem wedding for their daughters. When they die, they will be buried in a Moslem cemetery with an imam presiding.

Some officials even fear that Soviet Moslems, many

Western specialists say that the likelihood of a fundamentalist movement is almost nil. Despite the broadcasts, Moslems are cut off from their Islamic neighbors. They also recognize that their living conditions, while not up to Moscow's standards, are higher than those in many Moslem states.

But despite Soviet Moslems' ability to straddle the fence between resistance and defiance, the tension between the party and local culture remains. "What

liquidates the sources that give rise to belief. The future belongs to the scientific and materialist point of view."

Elsewhere in Tashkent, a young man named Habibullah Soleh presides over a magnificent library of ancient Islamic texts.

"As a Soviet citizen and a believer," Mr. Soleh said, he admires the "strengths" of both Mr. Gorbachev and Iran's Ayatollah Ruhollah Khomeini: "They are two halves of the same watermelon, if you know what I mean." And to those party ideologists who would fight for the elimination of the "cult" of Islam, he is patient, but straightforward:

"Almighty Allah says in the Koran that too many politicians spend their time trying to blow out the light to live in darkness. But they are running out of breath. They cannot win. These people make me furious. I'd like to put them all away."

At this he mimics an executioner, decapitating the offending Communists.

Officials in Tashkent are quick to say that had communism never come to Central Asia and Islam remained the unquestioned cultural and political force, the region would have remained an economic backwater.

In fact, Soviet power has made tremendous strides in raising the standard of living. Before the revolution only 2 percent of the population of the Uzbek Republic could read or write; now there is near universal literacy. Women, who once were made to wear veils and remain subservient to men, work in universities, academies and administrative jobs.

What is clear, though, is that Islam is not fading away.

"We are the fiber of life here," said Sheikh Abdulla Abdulla, editor of a journal called Moslems of the Soviet Union and deputy chairman of the government-backed Moslem religious board for Central Asia and Kazakhstan. "We were here in the seventh century, and I can assure you that even more of us will be here tomorrow and the day after that."

WORLD BRIEFS

Civil Court Jails Galtieri and Officers

BUENOS AIRES (Reuters) — A civil court on Monday ordered 12-year jail terms for former president Leopoldo Galtieri and two other members of the military junta that took Argentina into the 1982 Falklands war. The federal prosecutor had asked for tougher sentences, including 20 years for General Galtieri.

The president of the panel of four judges, Horacio Catini, said that the accused had reduced the effectiveness of Argentina's forces through their negligence. He said that all three officers, as equal members of the military committee that conducted the country's war effort, held equal responsibility.

The court confirmed a 12-year prison sentence for General Galtieri, handed down by a military tribunal in 1984, on charges of negligence and incompetence after Argentina's defeat in the Falklands conflict with Britain. It revised to 12 years the sentences of the two other junta members.

Police Said to Seize 20 in Tibet Clash

BEIJING (WP) — Chinese policemen detained as many as 20 persons in a recent clash with monks at a Buddhist monastery near Lhasa, according to reports from Western sources in Tibet received in Beijing on Monday.

The five-day confrontation was said to be sparked by the Chinese government's attempts to control Buddhist monks who have advocated Tibetan independence from China. The government sent officials into a number of monasteries before the beginning of October in an attempt to prevent a repetition of the anti-Chinese rioting that erupted in September of last year.

The sources said the latest confrontation erupted on Sept. 30 after Chinese government officials met with Buddhist monks at the Rafo monastery 15 miles (25 kilometers) southwest of the Tibetan capital of Lhasa. After the meeting, monks destroyed two police cars and the police arrested about 20 persons, including monks and local farmers who were supporting them, the sources said.

Soviet Radar Is Focus of Arms Talks

GENEVA (Reuters) — U.S. and Soviet arms experts talked Monday about a disputed radar complex in Siberia that is hampering progress in negotiations on reducing strategic nuclear weapons, a U.S. official said.

William F. Burns, director of the Arms Control and Disarmament Agency, headed a U.S. delegation while Viktor P. Karpov, a Soviet arms control official, led the Soviet team in the closed meeting.

The radar installation at Krasnoyarsk has been at the center of a dispute between the superpowers for nearly two years, slowing efforts to reduce the number of their long-range nuclear arsenals. The United States holds that the complex violated the 1972 Anti-Ballistic Missile Treaty, which bars the two sides from deploying nationwide defenses against strategic missiles or building bases for setting up such systems.

Beijing and Bonn to Talk Regularly

BEIJING (Reuters) — China and West Germany signed an agreement Monday to hold regular high-level political consultations, and German companies initiated three business accords with Chinese companies.

The protocol signed by the visiting foreign minister of West Germany, Hans-Dietrich Genscher, and the Chinese foreign minister, Qian Qichen, stipulated talks between foreign ministers or deputy foreign ministers at least once a year.

The document is the first written agreement on political exchanges of views between the two countries and calls for such contacts to be deepened, West German sources said. Mr. Genscher arrived in Beijing on Sunday with a delegation including executives of computer company, Siemens AG, who signed an agreement for the joint manufacture of digital telephone switchboards in China.

Algiers Hospital Protests Riot Deaths

ALGIERS (Reuters) — About a thousand doctors, nurses and hospital workers marched around the grounds of the largest hospital in Algiers on Monday to protest the way the security forces put down riots in early October.

The marchers, all in white coats, carried a banner reading "No to torture" and a wreath inscribed "To the memory of the children of October." The hospital received many of the dead and wounded during almost a week of riots prompted by rising prices and falling standards of living.

The government says 159 people were killed and 154 wounded. Most of them were youngsters shot by the army and police.

Prague May Prosecute Dissidents

VIENNA (AP) — The Czechoslovak Communist Party daily Rudé Právo reported Monday that several of the scores of dissidents and demonstrators who were detained last week could face prosecution on charges ranging from incitement to hooliganism.

Charges of incitement are being brought against people "who spread various appeals and publications attacking Czechoslovak society," the newspaper said.

Under Paragraph 100 of the Czechoslovak criminal code, the penalty for incitement is six months' to three years' imprisonment. Rudé Právo did not say how many people would be charged with incitement, or with other charges. On Friday, 87 people were arrested at a banned rally in Prague that was attended by 5,000 people.

TRAVEL UPDATE

Moscow may scrap visa requirements for tourists crossing the Arctic border from Norway. Brigadier General Inge Torheng, the Norwegian border commissioner, returned Saturday from a three-day visit to Leningrad at the invitation of the Soviet authorities. He told the Norwegian news agency NTB that the head of Soviet border forces in the area, Lieutenant General Alexander Viktorov, had told him of planned changes.

British Airways took off smoke-free Monday, hoping that clean air on its domestic flights will boost funds. BA said it was confident that the ban on smoking on internal services would mean a jump in the five million people it carried across Britain last year. The airline has no plans for a smoking ban on overseas routes.

Scandinavian Air Systems is to start a daily round-trip flight between Tirstrup-Arhus airport in eastern Denmark and Frankfurt from March 27, a company spokesman said Monday.

The 17,000 taxi drivers in Athens, locked in a bitter dispute with the government over anti-pollution measures, sealed off the city center Monday, causing traffic chaos for thousands of motorists. The measures halve the number of cars, including taxis, allowed in the city each day by enforcing an odd-even number ban based on license plates.

Aero Lloyd began scheduled flights linking four West German cities Monday to become the first regular domestic competitor of the state airline Lufthansa. The Frankfurt-based carrier established services between Düsseldorf and Hamburg, Frankfurt and Hamburg, Frankfurt and Munich and Hamburg and Munich.

Passengers departing from Brussels with Sabena had to carry their luggage on board Monday as some ground employees continued a strike over the implementation of a wage agreement, a Sabena spokesman said. Flights out of Brussels were delayed by up to 30 minutes.

Portugal enjoyed a sharp increase in tourism last year. At least 16.1 million foreigners visited Portugal, a 23.9-percent jump from the previous year, the Portuguese Statistics Institute reported Monday. Spaniards dominated heavily, accounting for 77 percent of the total.

Both Germanys to Mark 'Kristallnacht'

By Serge Schmemann
New York Times Service

BONN — The night of Nov. 9-10, 1938, has always stood out as a fateful turning point in the annals of the Nazi terror, and with the approach of the 50th anniversary of what has come to be known as *Kristallnacht*, both Germanys have announced plans for a broad range of nationwide ceremonies, conferences and other commemorative acts.

The anniversary has taken shape as a major act of national atonement and remembrance.

Virtually every city and community has announced one or more days of commemorative events, including memorial services, concerts, theater programs, literary readings or ceremonies, to be held by governments, political parties, churches, schools and organizations.

Several special exhibitions on the history of Jews in Germany have already opened, including major ones in Nuremberg and East Berlin, and radio and television have initiated special programs, including a panel discussion last week with concentration-camp survivors and German youths.

The major television networks have scheduled extensive coverage of official commemorative ceremonies on Nov. 9.

The main West German ceremony will be held in Frankfurt, the home of a major Jewish community in Germany before the Nazi terror.

Chancellor Helmut Kohl, President Richard von Weizsäcker, the presidents of all states and major church leaders will join Jewish leaders for memorial services at the main Frankfurt synagogue. They will then inaugurate a new Jewish museum, and the formal ceremonies will conclude with a special program of music and readings at the Old Opera.

In East Berlin, the East German parliament has scheduled a special commemorative meeting on Nov. 8, to be followed by a silent mass march.

On Nov. 10, the cornerstone for a new synagogue will be laid in the East German capital. These and other events will be attended by 40 leaders of American Reform Judaism specially invited for the anniversary.

West Berlin has also scheduled a silent march, the central event a program that fills 55 pages.

The list of other commemorative events will include memorial services at Dachau and other concentration-camp sites.

And virtually every major city and community has announced special programs. In Munich, the mayor will preside over a commemorative gathering at the old town hall, while in Cologne, the schedule of events includes processions from different corners of the city culminating at the opera house, where the mayor will speak.

The date entered history when, ostensibly to avenge the assassination of a German diplomat in Paris by a Jew, Josef Goebbels ordered a nationwide pogrom by the National Socialists.

By daybreak, 91 Jews were dead, hundreds were hurt and thousands of synagogues and Jewish shops and homes were in ruins. The shattered glass on the streets of German cities was to give the night its name, "Crystal Night."

Though the Nazis had harassed and persecuted German Jews before and would do more terrible things after, *Kristallnacht* is often identified as the moment when no one could any longer claim ignorance of what the Nazis intended.



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مكتبة الأصل

OPINION

Israelis Will Show Them How Free Voting Works

By William Safire

WASHINGTON — The election in Israel this week has this startling similarity with America's election: Swing voters believe what their candidates are saying about each other.

In the United States, that explains why so many undecideds take George Bush to be an elitist, racist meanic and why so many others take Michael Dukakis to be a frozen, incompetent softy.

In Israel, that is why so many "floaters" take Labor's Shimon Peres as a slippery manipulator out to give away the nation's security, and so many take Likud's Yitzhak Shamir to be a rigid hawk incapable of making peace.

But the truth is that all those disparate segments are largely false in both democracies, whose wins or losses will be a more astute political figure and a better all-around human being than almost any leader who now struts and frets on the international stage.

Other similarities in electioneering exist. Democrats in America know that their number two, Lloyd Bentsen, is infinitely more capable than the head of the ticket; Labor politicians there know that their number two, Yitzhak Rabin, would run far ahead of the widely distrusted Mr. Peres. And only in a campaign's final weeks are a party's two-edged swords brought out — which is why Jesse Jackson and Ariel Sharon have lately surfaced to rouse supporters and roll detractors.

The great differences between the two elections are these: First, American candidates are campaigning on tangential or symbolic issues — death penalty, fervor of allegiance, mainstreamism — while the Israelis are dealing with the fundamental issues of security and survival. A mistake could cost them everything.

Second, Israel's voters are minding their own business — not telling Americans (or Canadians or Pakistanis) whom to vote for. Mr. Dukakis's election will offer Israel more friendship, but not the power or will to back it up; Bush-Baker Tower "Texas trimmunity" would provide the strength but would be likely to

twist an evenhanded knuckle in the back. No wonder the Israelis are neutral.

Contrariwise, the rest of the world is leaning hard on Israeli voters to elect Mr. Peres, the more malleable, accommodative candidate.

This international pressure plumbed new depths when Mr. Peres acted as the booking agent for Jordan's King Hussein on ABC's "Nightline." The little monarch (who never faced a Jordanian voter, and who is in a bind over his unpopularity among Arabs in the West Bank) endorsed Mr. Peres and dumped all over Mr. Shamir. Not since the Soviets tried to defeat Richard Nixon has there been such a ham-handed attempt by an undemocratic power to influence a democratic election.

Will it work? I'm told that the bizarre campaign weapon backfired in Israel, on the theory that the candidate of my enemy is not my friend. However, the cumulative pressure from abroad — including lop-sided media commentary, horrified cooing from American doves and one-sided quacking from American lame ducks — may persuade some nervous Israelis that a Likud victory would isolate the nation. That would not.

We would all do well to let Israel decide its future for itself. If we oppose "imposing a settlement," we should resist influencing its choice of a leader.

If Mr. Peres wins (45 mandates to 35 for Mr. Shamir's party would be decisive), then Israel's supporters in America would try to see that an international conference called to transfer sovereignty of portions of the administered territories to local Palestinian Arabs did not degenerate into a threatening PLO state.

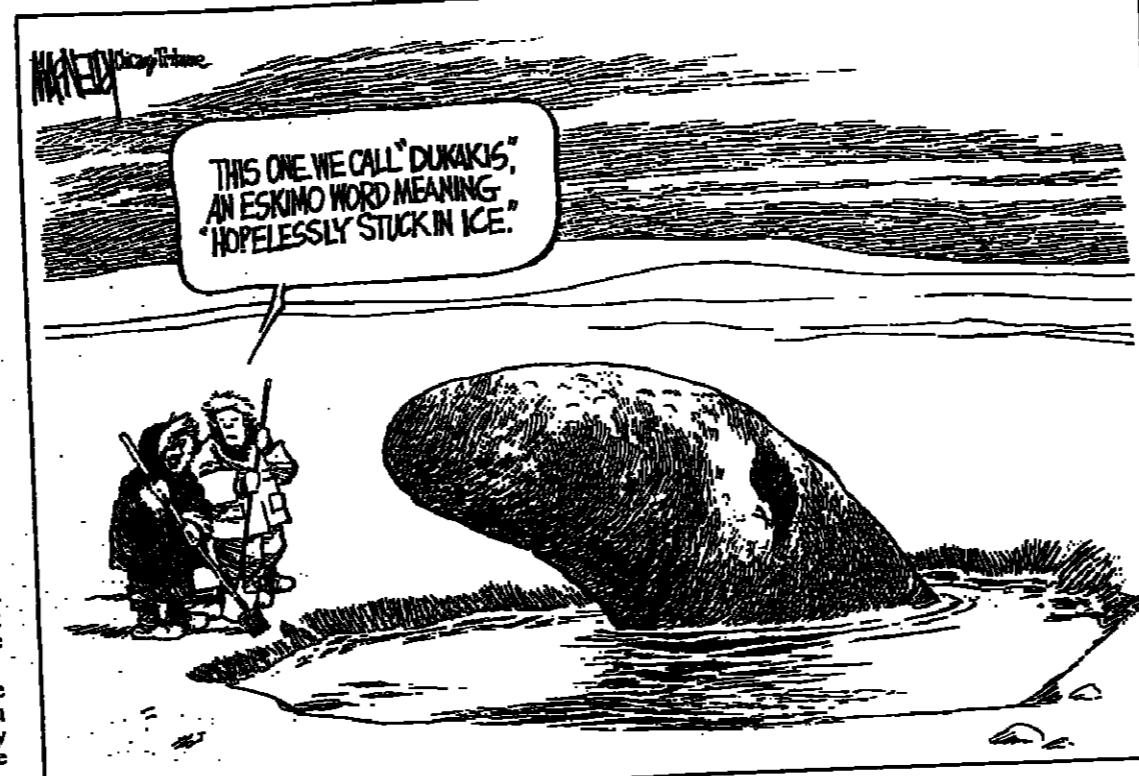
If Mr. Shamir wins (a 62-mandate, right-wing coalition would be decisive), then presumably the *hatfada* world would see little hope of progress through violence; direct negotiation would be stressed as the route to peace; hawkish friends of Israel would remind Likudists of their unique ability to deliver on genuine autonomy for peaceful Palestinians.

If, as the polls now show, neither side wins, we're all in the soup: another coalition and years of the wrangling that weakens. Even so, an ally is an ally, despite Israeli indecision, the next American president and Congress would do what is needed to offset Soviet sales to Syria and Libya, and Britain's mindless arming of the Saudis.

That's what is so terrific about the U.S. presidential system. Whoever wins — even if by an eyelash, as in 1960 — wins it all, and for a fixed term. Voters for the losers gup and salute, and democracy and national stability are served.

Show your surrounding monarchies and dictatorships the glory of a free election, democratic Israel. Next week, America will show the world how the majority rules the free superpower.

— Shirley Teltam, commenting in the Los Angeles Times.



LETTERS TO THE EDITOR

Don't Expect Brazilians to Sacrifice for Your Oxygen

I can't refrain from reacting to the New York Times editorial on Brazil ruining its virgin forests ("Scorched Earth in Brazil," Opinion, Oct. 19). It echoes a bit the old womanizer preaching to youngsters to please stay away from sex, and telling them why. He has not been successful so far.

We are telling the Third World to abstain from doing all those silly things we did, and with the same purpose: first to make a living and then to make money.

Aren't we selling them those enormously effective, quick tree-cutting tools? Aren't we the ones decorating our houses, apartments and shopping malls with ever more first-class wood? All, of course, at bargain prices, because we are saving a lot of money for other things, like flying around the globe at least once a year or buying new cars and stuffing a phones and faxes into them. Just for fun. While those forest-destroyers struggle to make it through the day.

There is a simple solution, but I haven't read much of it so far: We, the rich and "developed," shall have to pay a heavy monthly or yearly rent for those trees to be left alone. Listing environmental arguments is a waste of newsmprint. A starving man is not interested.

Everybody accepts as a fact of life that the oil which warms and moves us has to be purchased, sometimes at a stiff price. Is exactly the same way we will have to "purchase" the oxygen we need to keep us alive, by the way. It is a raw material we are taking for granted.

We talk a lot about carbon dioxide

tariff trade barriers in Japan. The Europeans still do not quite understand the importance of quality control.

Their Japanese rivals are strong, even in the face of the yen's appreciation of 50 percent over the last three years, because of technical advantages in production, the ability to develop new products and markets, and management — and absolutely not because of "protectionism."

Without an effective, competing business strategy, the EC's high-tech trade gap will only widen further.

MIKE M. NATORI.

Paris.

Le Havre '44 Remembered

Regarding "Two Quests for Redress Over a French Port's Ordeal" (Oct. 10):

As a Frenchman who was in Normandy, near Le Havre, in September 1944, I disagree that this tragedy is forgotten. One need only point to a recently re-edited book, widely sold for several years, which describes hour by hour and street by street the 12 last days of fighting in the city that was destroyed by British carpet bombing. "Le Havre '44 à Feu et à Sang," by E. Florentin, published by Presses de la Cité, Paris.

As for William Douglas-Home, I hope that his court-martial conviction will be quashed. Le Havre should ask the French government to award him the Légion d'Honneur for trying to save the lives of Le Havre's civilians.

PIERRE PELIKAN.

Le Chesnay, France.

Financial Advice: Beware Of Furloughed Boy Scouts

By Dave Barry

Miami — Today we're going to discuss financial planning, a topic that happens to be very timely for millions of Americans right now because I can't think of another one.

When I say "financial planning," I mean, in layman's terms, the various things you do when you are engaged in financial planning.

To understand why this is so important, let's consider the famous true fable about the grasshopper and the ant.

It seems that many years ago, there

was this lazy grasshopper who sat

around all summer long watching "The

MEANWHILE

Young and the Restless" while this hardworking ant was busily gathering food. When winter came, the grasshopper had nothing to eat, while the ant was snug and warm in a little house filled with gum wads and worm organs and chunks of putrefying raccoon flesh.

Finally the grasshopper, starving came to the ant's door and said, "Can I have some food?" And the ant said: "Well, I AACCKK —" and they were both crushed by rocks dropped on them by Boy Scouts on a nature walk. This was a very poor financial decision, when you think how much money these boys could have gotten for a pair of talking insects.

It is exactly this kind of tragedy that financial planning was designed to avoid. That is why today we are going to talk about sound investment strategies that you can use to guarantee that you have enough money to spend your Golden Years in financial comfort, or at least in a nice appliance carton, which is where you'll be living after you send your children through college, the way things are going. Statistics show that if your child is now 5 years old, by the time he's ready for college you're going to really hate his hairstyle. Also tuition will be very high. College administrators tell us that by the year 1998 it will cost you \$178 million just to put your child through a BAD college, one with a nickname like "The Fighting Room Fresheners."

Where are you going to get that kind of money? The ideal solution, of course, is to go around robbing college administrators at gunpoint. A less satisfying but more legal solution is to get started on a sensible investment program. In our family, we have developed such a program, which is diversified into three steps:

STEP ONE: Every week, rain or shine, one or more of us gets sick and we go to the doctors' office and pay varying amounts of money in exchange for finding out that we are sick.

STEP TWO: Every six or eight months, whichever comes later, I sit

down at the kitchen table with huge piles of medical receipts and attempt to

fill out my medical insurance claim forms, which, in the time-honored tra-

dition of forms, have been designed by mildly retarded cocker spaniels. The questions go like this:

"1. What is your name?"

"2. What is the patient's name?"

"3. Are you the same as the patient?"

"4. What was your name again?"

And so on. It's slow going, but I stick to it, because I know that only by filling these forms out can we arrive at:

STEP THREE: The insurance compa-

ny mails us an informative statement

("The amount shown below represents

"your total accrued redemption MINUS

"your deductible comprehensible PLUS

"your remittance of remorse TIMES your

"..."), sometimes they also send a check

representing an actual percentage of what we

we originally paid the doctors, which we

then wisely reinvest in more doctors' fees

or, if it is a Friday night, rental movies.

Of course you may not feel you have

the financial "savvy" to embark on

a complex investment program like this,

in which case you might want to consider

engaging the services of a financial planning professional. This is a qualified person who takes custody of your money

and then, using his knowledge, training

and experience, flees to the Bahamas. Ha ha! Forgive me for making a small financial joke. The truth is that most financial planners have made a deep commitment to their profession in terms of having business cards printed up, and I strongly recommend that you turn all your money over to one of them after asking a few routine questions: ("What is your name?" "Is that a plane ticket?").

Another essential part of your personal

financial program is, of course, I —

I'm putting this in secret code because if I

write out the words "life insurance" you

might read them aloud, which would

awaken the insurance agents hanging by

their feet from your eaves, causing them

to swarm down your chimney and dive

repeatedly at your head until you let them

review your Future Financial Needs.

Still just kidding, of course. Often

they come in through the windows.

No, really, I hope you professionals out

there are taking this in the spirit of "good

fun," and if I have offended you, I urge

you to write a careful, reasoned, thought-

provoking letter and throw it away un-

opened, which is how I'd handle it.

But getting back to investment strate-

gies: The important thing is, whichever

one you pick you have to STICK WITH

IT. Don't get discouraged! Remember:

John D. Rockefeller started out with

nothing, and today, thanks to smart fi-

nancial planning, he's dead. He probably

got tired of filling out his medical forms.

TODAY'S MONEY TIP: An excel-

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Imelda Marcos Pleads Not Guilty in New York

United Press International

NEW YORK — Imelda R. Marcos pleaded not guilty Monday in a loud, clear voice to a \$268 million federal racketeering indictment charging that she and her husband, Ferdinand E. Marcos, the deposed president of the Philippines, used stolen government funds to buy New York real estate.

A deputy in the courtroom in the U.S. District Court asked Mrs. Marcos, 59, if she wished to waive a reading of the 79-page indictment that could send her and her husband to prison for the rest of their lives.

"Yes," she replied in a strong voice.

"How do you wish to plead?"

"Not guilty," Mrs. Marcos said, squeezing a white handkerchief in her right hand.

Judge John Keenan set bail at \$5 million and refused to detain Mrs. Marcos. He ordered her to stay in New York for 72 hours or until the bail package was approved.

Most of the assets believed held by the Marcoses have been frozen by courts around the world, and Judge Keenan said he wanted to ensure that the bail money was not obtained through the racketeering scheme alleged in the indictment.

None of the eight other defend-

ants was expected at the hearing but all were subject to arrest under federal warrants.

The Marcoses and five other defendants, including the Saudi billionaire Adnan Khashoggi and a California bank, are accused of transferring \$103 million in stolen funds into the United States to buy four prime New York buildings and of defrauding two U.S. banks of \$165 million to finance the properties.

A dozen anti-Marcos protesters chanted outside as Mrs. Marcos silently entered the Foley Square courthouse.

"Justice, justice must prevail! Send the Marcoses to jail!" the demonstrators chanted.

Mr. Marcos, 71, said his weak heart made the trip to New York from Hawaii impossible. His arraignment was postponed.

The Marcoses face four racketeering counts and, if convicted, a maximum of 50 years in prison and fines totaling \$1 million.

Also named in the racketeering indictment were the former Philippines ambassador to the Vatican, Bienvenido Tantoco Sr.; his wife, Gloria Tantoco; California Overseas Bank and its chairman, Robert Benedicto; and its former president, Rodolfo Arambulo.

KOHL: Overstatement Is Reported

(Continued from Page 1)
and some other Western countries believe that the political prisoners number 200 or more.

"There was some confusion," a West German source said. "Kohl had the impression or created the impression that this was something completely new."

There were clear signs of irritation between Bonn, on the one hand, and Washington and London, on the other, over the Kohl trip.

A U.S. official was displeased by West German officials' comments, delivered to a reporter on a background basis, that tough human rights positions were the principal obstacle holding up conclusion of current East-West talks in Vienna in the Conference on Security and Cooperation in Europe.

The Soviets, as a condition for concluding the Vienna talks, are seeking Western agreement to participate in a future human rights conference in Moscow. Britain and, to a lesser extent, the United States are resisting.

In another sign of a West German diplomatic tilt toward Moscow, Mr. Genscher quickly returned on Sunday a one-day-old Warsaw Pact statement of willing-

ness to seek a quick conclusion to the Vienna talks.

Mr. Genscher also reaffirmed Bonn's willingness, with sufficient advance preparation, to participate in a Soviet-proposed European summit conference on reducing conventional forces.

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The home of a Palestinian was blown up after he reportedly confessed to the attack on an Israeli bus.

ISRAEL: Labor Fears Backlash Following Bus Attack

(Continued from Page 1)
showed Likud had picked up support in the days after the car bomb attack.

"But when civilians are killed, a mother and her babies, it's much more of a serious matter," a senior Labor Party strategist said. "This will hurt us. No doubt."

Campaign activity, usually low key on the last day before elections, halted completely Monday, and Likud was restrained in trying to use the incident to its advantage.

In an interview, Benjamin Begin, a Likud candidate, said, "These tragedies do have an impact. People are well aware of what's going on. The situation is quite clear. But

we need to show some sensitivity. The funeral was only a few hours ago."

Likud strategists have been saying all along that they do not need to use violent activity to boost their campaign. A Likud member of the parliament, Dan Mendor, said last week that his party had not actively used the Palestinian uprising in its campaign ads because "people see it every day in the news."

"It helps us all by itself," he said.

The prime minister's office took a similar approach Monday. Avi Pazner, a senior adviser to Prime Minister Yitzhak Shamir of Likud, called on Israelis to "put politics aside" as it considered the attack.

Ezer Weizman, the Labor Party

campaign manager, said: "I very much hope that Jews won't change their votes, just as the Jews didn't change their vote after the incident of the Lebanon war four years ago."

He seemed to be referring to the massacres at the Sabra and Chatila refugee camps in Lebanon in 1982.

Though the Likud controlled the government then, it did far better than expected in the 1984 elections.

Thinking optimistically, Mr.

Weizman said: "Perhaps this incident will lead to a greater vote for Labor because the public will understand that without a solution in the area, it won't be possible to have peace."

INFANTS: Classes and Diapers

(Continued from Page 1)
as a consequence, drop out of classes.

The announcement of the closing came at the beginning of a two-day holiday as Poles celebrated All Souls' Day. It also came only two days before the scheduled arrival of Prime Minister Margaret Thatcher of Britain, who is due to visit Gdańsk and meet with Mr. Wałęsa on Friday.

Mr. Thatcher, whose visit was postponed earlier following the August strikes, is also scheduled to lay a wreath with Mr. Wałęsa at a Solidarity monument outside the main gate of the shipyard. The monument commemorates a 1970 workers' uprising that also began at the Lenin yard and ended with the shooting of dozens of workers by police and army troops.

EMIRATES: Dubai's Task Is Melding Old and New

(Continued from Page 1)
was being given into the hands of "locals" have loosened the commitment of some emiratis to the federation.

"The individual emirates are trying to retain as much independence as possible," a Western diplomat said. "There's been a counterclockwise by the old against the new."

And, if a nation's sports say anything about its society, that conclusion may be borne out in two ancient pursuits that survive — hunting with falcons, and the racing of camels.

"There are young, middle-class Dubaians taking up falconry," said Cheryl Remple of Laramie, Wyoming, who runs the falcon hospital with her husband, David. "Maybe it's a way to get back to their traditions," she added.

By tradition, the birds are trained and flown and released all in the same year-end season of relatively cool, because the fierce summer heat kills them. But the air-conditioned hospital allows the birds to be kept cool and alive in the summer months to hunt in second season.

Each year, Mr. Remple said, the Gulf's rulers migrate, mostly to Pakistan, with large parties of followers and their falcons to spend a month hunting.

"People say there is less and less interest," Mr. Remple said. "But there seem to be as many purchases" at an average price of \$3,000 a bird.

If that seems pricy, try camel racing. A thoroughbred winner, by most accounts, can fetch \$1 million or more. Yet this sport, too, has

been as a means of keeping Bedouin in tradition alive and establishing patronage between ruler and ruled.

Abu Dhabi alone is reckoned to have about 3,000 racing camels, which cover a five-mile course in what sometimes seems a lengthy 14 minutes.

The jockeys, said Dick Collins, a British veterinarian who looks after racing camels in Dubai, are very small and come from India, Pakistan or Muscat. Some are as young as five or six years, and none, Mr. Collins said, weighs more than 40 pounds (18 kilograms).

As they race, trainers roar alongside on a parallel track in four-wheel-drive vehicles, bellowing instructions into microphones, transmitting to radios taped to the jockeys' chests. Television vans videotape the leading events for prime-time viewing.

If such events represent one tradition — and oil-money invested to maintain it — then the Emirates Golf Club stands as a monument to the urge to preserve another that predates oil: commerce. Its British manager, Rodney Bogg, said, "The Emirates Golf Club was built to promote Dubai as the biggest trade center in the Arab world."

The clubhouse, built to resemble Bedouin tents, looks out over a 7,100-yard (6,490-meter), par-72 championship course that consumes a million gallons of water a night from automated sprinklers to stay green when high summer sends daytime temperatures on the billiard-smooth fairways to 110 degrees (43 degrees centigrade).

The membership is a fully subscribed 500, many of them expatriates, who pay annual dues equivalent to about \$3,200.

LOUTS: New Menace in Britain

(Continued from Page 1)
the local authorities to solve the problem.

These actions include the establishment last year of a ministerial group to develop government strategy against alcohol abuse, higher penalties for selling alcohol to minors, increased pressure on the police and courts to close badly managed bars and lower taxes on beverages low in alcohol.

"There are still some understandable misgivings about making the simple act of drinking on the streets an offense," Mr. Hurd said in a speech to magistrates.

"But I concluded that the nuisance and distress caused to ordinary citizens by groups of mainly young people becoming drunk and behaving badly was such that it was worth trying a bylaw to see if it could help."

Any restrictions that reduce public disorder would be welcomed by Chief Inspector David Furness of the British Transport Police.

His officers have been inundated with complaints about passengers who, after leaving respectable jobs in London's financial district, get drunk and create disturbances at railway stations and on trains.

Some workers in the financial district have refused to work overtime for fear of being cornered in a train late at night by a loutish passenger.

"They are catching on very slowly around the country," Ms. Blank said. "But nowhere yet do they meet the need."

"We just don't have enough space," said Millian Harrison, a child development specialist who directs the Hart center. "It's sad."

In an effort to gauge the extent of the problem, the police held a two-day public session a few days ago to allow frustrated commuters to express their concerns.

In less than two hours, about 3,000 commuters approached the police at two railway stations, Liverpool Street and Fenchurch Street.

"The majority of complaints come from women who have re-

ported cases of indecent assault or indecent exposure," Mr. Furness said in an interview at the Liverpool Street station.

"Indications were that those committing the offenses were men between the ages of 18 and 35 who held responsible jobs in the financial markets. But indications now are that it is impossible to stereotype the offenders except to say they are between 14 and 30 years old and from a cross section of society."

The "lager louts" are the latest issue in a continuing debate about the cause and extent of alcohol abuse in Britain, which has received international attention in recent years because of violence by English soccer fans at major European competitions.

The debate was fueled this year when new laws allowed pubs to stay open all afternoon in England and Wales, ending restrictions that were introduced in World War I in an effort to halt afternoon drunkenness among munitions workers.

Publishers of an annual survey of beer blame the growth of the "lager-lout culture" on slick, aggressive marketing of lager, which is lighter in taste than traditional British ale.

Stricter rules governing the advertising of alcoholic beverages were recently introduced to ensure that advertisements do not encourage drinking among young people.

Ban Tested in Coventry

An "alcohol-free zone" under the new bylaw was declared Monday in the center of Coventry, England, Reuters reported.

Coventry is the first city to receive parliamentary approval for the £100 fine. Signs showing crossed-out beer mugs mark the 100 streets affected by the ban.

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Bush Holds Huge Lead In Survey of 50 States

The Associated Press

WASHINGTON — George Bush is the overwhelming leader in the race for the White House as the presidential campaign enters its final week, with Michael S. Dukakis making gains that have Democrats hoping for a comeback, according to an Associated Press survey of the 50 states.

The survey shows Mr. Bush leading in states with 359 electoral votes, even though he has not yet locked up the 270 that would assure him of victory. Mr. Dukakis' total is 141 — 78 electoral votes from states with 101 electoral votes.

A new ABC News poll put Mr. Bush ahead, 51 percent to 44 percent, in California. The poll of 510 likely voters was conducted Saturday and Sunday and has a margin of error of five points. New polls also showed Mr. Bush with a double-digit lead in New Jersey and with commanding advantages in New Mexico, Utah, Kentucky, Indiana and Montana.

The AP survey indicates Mr. Bush has maintained Republican strength in the South and Rocky Mountain West, while Mr. Dukakis has failed to accomplish the same.

YOUTH: A Shift to Republicans

(Continued from page 1)

1980, Democrats outnumbered Republicans among voters less than 30 years old by a margin of 2 to 1. Now, the parties are virtually even.

The impact of the Reagan years on the preferences of young voters can be seen most starkly by following the voters who began voting the electorate when Mr. Reagan was first elected president.

In 1980, only 20 percent of the voters between the ages of 18 and 29 years old identified themselves as Republicans; 42 percent of them said they were Democrats. The rest called themselves independents or chose a minor party or no party at all.

Four years later, the same age group — now between 22 and 33 years old — started shifting. 28 percent identified themselves as Republicans, and only 35 percent called themselves Democrats.

This year, the Republicans are near parity. Among voters between the ages of 26 and 37 — the same age cohort — the figures were 33 percent Republican and 35 percent Democratic.

Some of this shift toward the Republicans can probably be explained by the political law that people often become more conservative as they grow older, what Karilyn Keene, the managing editor of *Public Opinion* magazine, calls the "marriage, mortgages and kids effect." But once other generations did not go through quite this sharp a change, some of it must also be explained by the impact of the Reagan era.

Another way to look at the shift is that in 1980, the 18- to 29-year-old voters were 52 percent Republicans; by 1984, they were 55 percent.

old age group split about the same as the rest of the electorate in its party allegiance. Now, it is more Republican, while the electorate as a whole remains more Democratic.

The Republicans' biggest problem with the young has not been getting their support but getting them to vote. Younger people have always turned out at a lower rate than their elders, and the Republicans suffered in the 1986 Senate elections from an unusually low turnout among the young.

Young people are of particular interest to political scientists and party officials; however, because the allegiances they form can stay with them for the rest of their lives. When voters who came of age during the New Deal identified with the party of President Franklin D. Roosevelt, they provided the impetus for a realignment that made the Democrats the nation's dominant political party.

The young voters tracked since 1980 displayed a shift in the way they saw themselves ideologically similar to their shift in party allegiance. In 1980, 28 percent in this group called themselves liberal; the figure dropped to 24 percent in 1984 and 18 percent this year. The proportion of conservatives increased from 25 percent in 1980 to 27 percent in 1984 and 32 percent in 1988.

Academics and political consultants who have studied the youth vote have many explanations for their movement toward the Republicans, but the most powerful is the simplest: Young Americans have known only Presidents Reagan and Carter, and Mr. Reagan is the overwhelming favorite.

Last Tuesday, an exhausted Mr.

Dukakis walked gloomily off the set after a hasty interview on the ABC News "Nightline" program, after repeatedly dodging the "liberal" label. He since has turned into a free-swinging campaigner and has consistently performed better on a recent poll by *Newsweek* magazine showed that people overwhelmingly blamed the press.

Mr. Dukakis' firm declaration of his liberalism on Sunday could lead to an ironic endgame for the 1988 campaign. In an election that has seen candidates in both parties carefully avoiding the label "liberal," the next few days may well turn into a running debate over how the word should be defined.

"I'm not going to let the Republican Party pervert that word," Mr. Dukakis said.

He offered his own explanation Sunday. "We need a president in the tradition — yes, the liberal tradition of Franklin Roosevelt and John Kennedy," he said at the Amtrak station in Hanford. "Presidents who are on the side of the average family. Presidents who believe in economic opportunity and good jobs for every American."

standard "In the Mood" at every train station, and that was just right for a day that had the feel of old-time politics, except for the presence of television crews with their high-tech gear and the staffers talking into their cellular telephones.

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LIBERAL: For Dukakis, a Metamorphosis to Populist From Technocrat

(Continued from page 1)

election eve, Mr. Dukakis proposed they merge that time into an hour-long televised debate to "let the American people decide which one for a realignment that made the Democrats the nation's dominant political party.

[Mr. Bush scoffed Monday at Mr. Dukakis' embrace of the liberal label and rejected the call for an election eve debate. The Associated Press reported from Louisville, Kentucky.]

[Mr. Bush recalled that Mr. Dukakis had "jumped all over me for using the 'L' word" in their last debate.]

[Well, speaking of my opponent, yesterday, miracle of miracles, headlines, read all about it, he's using the liberal label again, Mr. Bush said.]

[Mr. Dukakis' campaign had called the 10-car train he rode Sunday from Bakersfield to Stockton the "Victory Special." But the buoyant traveling staff quickly renamed it the "Surge Express." He also said the public display-

ing of the 1940s

standard "In the Mood" at every train station, and that was just right for a day that had the feel of old-time politics, except for the presence of television crews with their high-tech gear and the staffers talking into their cellular telephones.

Mr. Dukakis' firm declaration of his liberalism on Sunday could lead to an ironic endgame for the 1988 campaign. In an election that has seen candidates in both parties carefully avoiding the label "liberal," the next few days may well turn into a running debate over how the word should be defined.

"I'm not going to let the Republican Party pervert that word," Mr. Dukakis said.

He offered his own explanation Sunday. "We need a president in the tradition — yes, the liberal tradition of Franklin Roosevelt and John Kennedy," he said at the Amtrak station in Hanford. "Presidents who are on the side of the average family. Presidents who believe in economic opportunity and good jobs for every American."

THE HUSTINGS

Dukakis Assails Bush on Arms Policy

WASHINGTON (Reuters) — Governor Michael S. Dukakis, the Democratic presidential candidate, accused President Ronald Reagan and Vice President George Bush on Monday of botching a decision on America's next land-based nuclear missile.

On a nationally televised morning TV program, Mr. Dukakis said Mr. Reagan and Mr. Bush had failed to decide during their eight years in office whether to make the 10-warhead MX missile or the single-warhead Midgetman the next U.S. land-based nuclear missile.

"The administration has really made a hash of this," Mr. Dukakis said. "For eight years they haven't been able to decide on either." He added, "We're worse off today than we were eight years ago." Mr. Dukakis is on record as opposing both missiles.

Name-Calling in a Minnesota Race

MINNEAPOLIS (NYT) — In recent weeks, Hubert H. Humphrey 3d has accused Senator David F. Durenberger, his Republican opponent in the U.S. Senate election in Minnesota, of being an embarrassment to the state.

For his part, Mr. Durenberger has imperiously derided his opponent as a pale shadow of his father, the former vice president and 1968 presidential nominee. "I feel sorry for him, hung with that name," said Mr. Durenberger, 54, who has served in the Senate since 1978. "After all, he can't go back to selling prescription drugs like his father once did."

The most recent public opinion poll by The Star-Tribune, a Minneapolis newspaper, showed Mr. Durenberger leading Mr. Humphrey, 53 percent to 42 percent.

Fed Up With Polls? Try Mumbling

SAN FRANCISCO (NYT) — Fred Wickham is so fed up with the polls "electing" the president before the election that he is founding a nonpartisan organization intended to unhang all those high-priced pollsters. Appropriately, it is called Poll Scramblers.

"The daily publication of poll results performed by private polling organizations has undermined the electoral process," says Mr. Wickham, a San Francisco artist. "The secrecy of the voting booth is the only appropriate place for polling to occur."

Mr. Wickham's plan is to invalidate the polls by purposely scrambling the results. "We do this by lying," he says. "We've all lied at one time or another, but this is our first opportunity to be proud of it." When the pollster asks a question, Mr. Wickham says, "Raise doubts. Refuse to answer. Or hem and haw. Answer with a wink. Shake your head no, and say yes. Mumble. But get the message across that your answer is suspect."

Willie Brown, the Democratic speaker of the California Assembly, was asked why Mr. Dukakis isn't doing better. "My guy didn't understand to win in this country these days you've got to campaign down to a 13-year-old's level of mental development," he said. (NYT)

SACRAMENTO (NYT) — The chairman of the Senate Select Committee on Intelligence has asked the Reagan administration to investigate whether administration officials leaked classified papers to the authors of a newspaper article describing corruption in a secret U.S. program to aid Cambodian rebels.

The chairman, Senator David L. Boren, Democrat of Oklahoma, said he was "deeply troubled" by references in the article to an apparently classified State Department document on which much of the article was based.

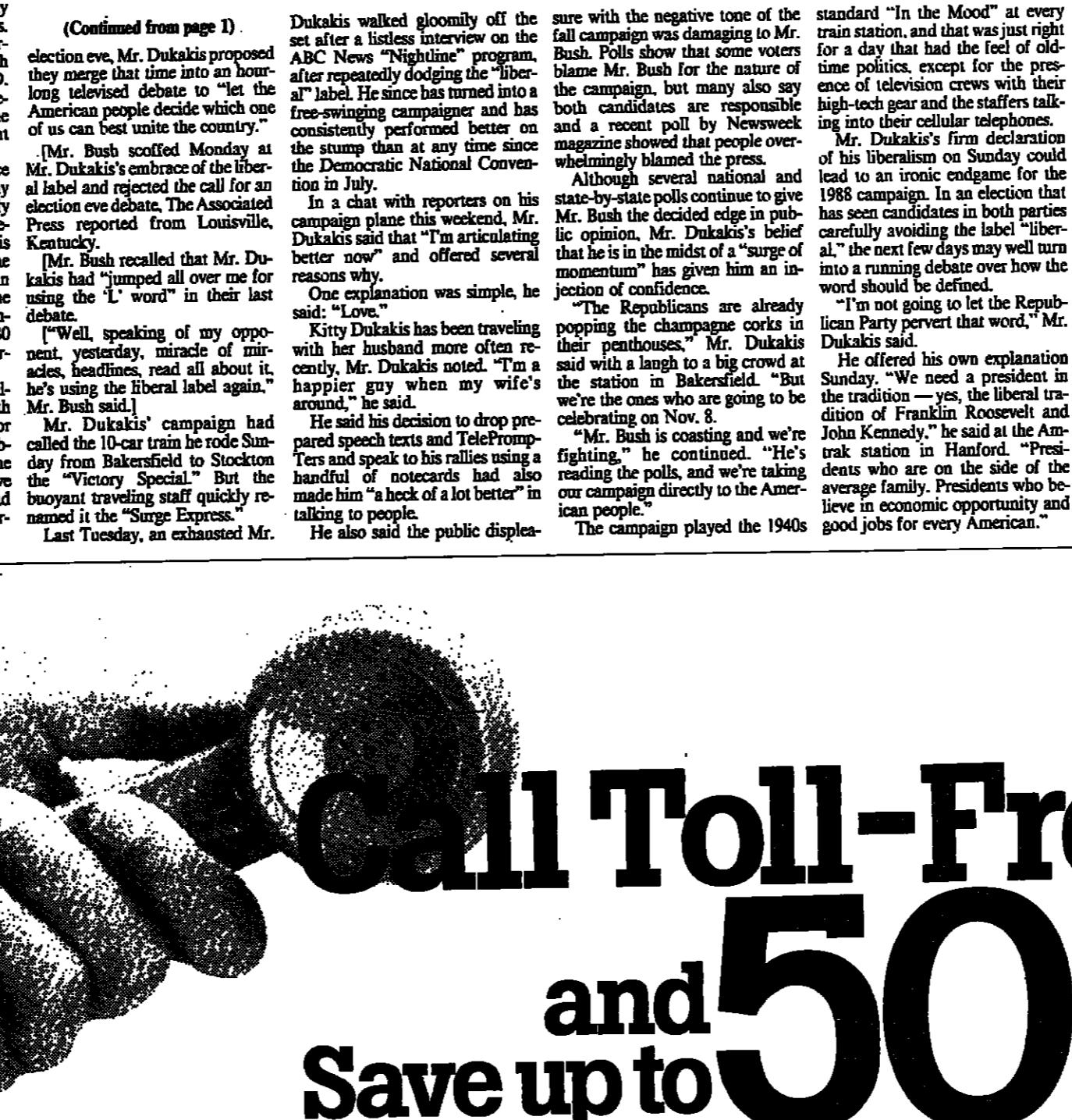
Accounting controls over the assistance were tightened after the discovery, and no American aid is now being diverted, the article said.

The program, one of several approved by Congress and managed by the CIA, is officially secret, but its outlines have been publicly known for some time.

The article, which appeared in Sunday's *Washington Post*, described a scheme in which military officers and others in Thailand had stolen \$3.5 million from a \$12 million-a-year CIA program to aid non-Communist rebels inside Cambodia.

Accounting controls over the assistance were tightened after the discovery, and no American aid is now being diverted, the article said.

The program, one of several approved by Congress and managed by the CIA, is officially secret, but its outlines have been publicly known for some time.



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| Portugal** | Esc. | (01) 80 71 23* | 26,000 | 26,780 | 14,300 |
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| Sweden** | S.Kr. | (08) 21 01 90* | 2,000 | 1,276 | 1,100 |
| Switzerland | S.Fr. | 046 05 68 00 | 455 | 455 | 255 |
| Rest of Europe, N. Africa, form. Fr. Afr., Middle East \$ | — | — | 470 | Varies by country | 145 |
| Rest of Afr., Gulf St. Asia \$ | — | — | 620 | 340 | 190 |
| Central/Latin America \$ | — | — | 540 | 295 | 160 |

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ARTS/LEISURE

U.S. Retailers Hope To Beat Fashion Crisis

By Suzy Menkes
International Herald Tribune

NEW YORK — The American fashion shows opened here Monday — an unprecedented five days after the close of the Paris collections.

For the fashion professionals, the lack of the traditional 10-day breathing space allows a global view of what is to be offered for the next spring/summer season. Retailers and suppliers on both sides of the Atlantic also have to face up to the current crisis of consumer confidence in high fashion, where too many designer labels are chasing too few customers.

Ten years of steady — or even heady — growth have made designers into superstars and their fashion private label merchandise.

NEW YORK FASHION

pines worth megabucks. Now there are signs that the Style Decade — as the '80s have been dubbed — may be running out of steam.

"The crisis is that women are not buying," says Kal Rutenstern, Bloomingdale's senior vice president for fashion professionals. "Everybody for the past year has been blaming Paris fashions and the skirt lengths. I personally believe this latest season has produced just what we need. Women are going to be excited by the mood of the shows, by the pyramid shapes by the new liquidity. It's going to kill off the too tight, the too short and the too sexy."

Fashion — and especially fashion retailing — thrives on change, and the major buyers have returned to the United States from Paris generally pleased with the European collections. But customers may be more wary of investing in yet another designer image — at \$2,500 a time.

The current season started slowly, yet the news from Manhattan's plate-glass battlefield is not all bad.

"We're doing fine because we know what we're doing," says Saks' Elim Saltzman bluntly. "It's terrible for me to say this, but every time I think things are fine, I read there's a crisis. Things really are not that bad. But as a store have to do much more to help the customer, because there is no one direction in fashion now."

The selection and editing undertaken by the stores is not always approved by the designers, who feel that their image is often watered down. When Ralph Lauren opened his flagship store on Madison Avenue two years ago, it was a major statement from a leading American designer whose business had been built up — and still lies — in stores.

Italy's Giorgio Armani is now embarking on a massive American development, both for the main collection and the Emporio line, in which the parent company will set up retail outlets and control the architecture, the merchandise and the display of the entire Armani package.

"There is something wrong with retailers in the U.S.A.," says Gabriella Forte, the powerful woman at Armani's right hand. "There is a deep crisis because the stores aren't owned by retailers any more, but by bankers and cinema corporations. You can do market analysis as much as you want, but there still has to be a symbiosis. You need to have people who love retailing. And it's not true that, if you can buy clothes, you can be moved to buying clothes. Who wears ten cups on their heads?"

Dawn Melo of Bergdorf Goodman — the American store generally accepted to be in the forefront of selling designer clothes — admits that stores that have been bought out have a harder time creating a fashion

image than a smaller company or than a family run service store like Nordstrom. Bergdorf's new menswear store, due to open in the spring of 1980, is expected to bring its flair to retailing men's designer clothing.

Barney's, run by the Pressman family since it was founded in 1923, started out as a discount men's clothing store, and its most recent expansion is a men's store opened in September in the World Financial Center. Last month, Barney's launched a national retail company, which will open three stores — in Boston, Short Hills, New Jersey; and Manhasset, New York — in the fall of 1983.

"Customers across the country want fashion, but they want a choice of both well-priced and designer merchandise," says Gene Pressman, whose new stores will combine established names, young designers and private label merchandise.

This last is a thorn in the side of the high fashion designers who feel that the American stores are too quick to rip off creative designs at a cheaper price. To retaliate, most international designers have introduced lower price lines of their own. But this, say the buyers, can confuse the customer and weaken a designer's image.

In a ruthlessly competitive world, both designers and retailers have to keep one step ahead. Bloomingdale's, the store that spawned the concept of the "Saturday Generation," recreational consumption and retailing as theater, has seen its innovative ideas copied by stores around the world. Blooming, which the Canadian entrepreneur Robert Campeau bought from Federated last spring, may not now be as unique as when it and Diane Keaton started in Woody Allen's "Manhattan." But it is also expanding: The latest of its chain of 17 stores opened in Chicago in September.

Next year, Bloomingdale's will celebrate the bicentennial of the French Revolution with a major "Vive la France" promotion. The store will spend \$30 million, says Marvin Traub, its chairman since 1978. He calls it "the most extensive presentation of French merchandise ever made outside France."

In spite of this entente cordiale, and a 10-year love affair with Italian fashion, European designers still accuse American stores of using designer merchandise as window dressing, rather than buying it in depth or attempting to put over the designer's message to the consumer.

"Intellectually, I find America turned in on itself at the moment," says Jean-Jacques Picart, partner of Christian Lacroix, who was given American supermodel a year ago.

"America is such an enormous country, and when it behaves in a protectionist way, it belittles itself," says Picart. "In fashion, we are finding Europe very positive at the moment in the spirit of 1992. In America, we are doing well in the specialty stores like Ultimo in Chicago, or anywhere where the same person who buys the merchandise also sells it. We need a sales service. We are not like selling boxes, just any product. We are fashion."

The international designers — whether European or American — know that Manhattan's mighty stores have made the designers' names, their reputations and their fortunes.

"Designer fashion has been like a great orgy," says Forte. "It was like the fall of the Roman Empire — we all ate and drank fashion until we vomited. This is now a time of reassessment, when customers are looking for things they can depend on. Maybe we all need a period of calm."



The New York Times
Stores such as Bergdorf Goodman (above) and Bloomingdale's hope that the new lines will end the crisis of consumer confidence.



Christine Rose
Pianist Joachim Kühn: "I wasn't always going in a straight line."

By Mike Zwerin
International Herald Tribune

PARIS — American jazz musicians often credit preacher fathers or a mother who sang in a gospel choir with opening their ears. The East German pianist Joachim Kühn traces his jazzline back to having grown up around the corner from a church in Leipzig where Johann Sebastian Bach's music was performed at Sunday services. "Bach wrote some swinging bass lines," he says.

Kühn gave his first piano recital at the age of 6, playing Schumann's "Kinderszenen." His older brother, Rolf, was practicing the clarinet and there had been Bebop Goodman records around the house for as far back as he could remember. Like many East European musicians of his generation — he was born in 1944 — he is grateful to the Voice of America's Willis Confer for widening his horizon. The West German producer Horst Lippmann described his playing in 1965 as "not just free jazz in its most advanced manner, it's also music that swings like mad." He used to "dream of playing with American musicians."

He went West by way of a jazz contest in Vienna in 1966 and has not been back to Leipzig since. Living in San Francisco, Los Angeles and New York, he played with the likes of Don Cherry, Philly Joe Jones, Gato Barbieri and Jack DeJohnette. His German side ("Yeah — I guess I'm German. Very German.") was seduced by the technological challenge involved with jazz-rock fusion's extensive and complex array of electronic hardware. His fascination with America took on the color of money. With newly grown hair accentuating a strong chin, wearing flowered silk scarves, playing at major events surrounded by stacks of speakers, amplifiers, synthesizers and thick clusters of cables, he dreamed of stardom now. He was a "keybordist" — the word "pianist" was about as stylish in the '70s as "liberal" is in the '80s.

By 1983, however, Kühn had become convinced that fusion had no future. Bored with it in any case, he sold his keyboards. "It's been getting worse and worse," he says now. "Fusion musicians are totally interchangeable. Electricity allows no individuality, you can change drummers and nobody knows the difference. The music has no personality. It's not even really about music anymore. Some of the musicians may not even be aware of it,

they can't afford to admit it to themselves. It's all about selling more records and filling bigger halls. It's about money. It's sick."

Work dwindled alarmingly after he turned off the switches and pulled the plugs. He came back to Europe, where there was still some demand for creative acoustic music. The West German Goethe Institute sent him to tour in Asia and Africa. Beckstein provided him with concert grand — even shipping one to Australia — in return for his endorsement. He has written classical compositions and performed them — usually with Rolf conducting — in West Berlin, Cologne and Hammover. There is a Beckstein in his home in a comfortable Paris suburb. Last month he performed a series of solo concerts in Mexico and Colombia.

Solo piano concerts do not make him particularly nervous; he's been doing them since the age of 6 after all. He likes being responsible for nobody but himself on the road, and having nobody else to pay, and the form allows maximum musical freedom. He wrote and performed solo piano music for "Dark," a ballet on which he collaborated with

"I've been getting better and better and better, that's for sure," he says. "But going through all my 140 albums chronologically can mean real suffering. I wasn't always going in a straight line."

Saturday, Kühn gives an improvised solo recital in *La Cigale*, 120 Boulevard de Rochechouart, in the ninth annual Paris Jazz Festival.



I ENJOY WORKING AND I LIKE BREAKFAST BUT I NEVER MIX THE TWO. 99

I've always wondered how people can talk about business when what they're really concentrating on is getting the right amount of butter on their toast.

To me a working breakfast, or one that works for me, is a breakfast that gives me time to compose myself and relax before the day begins.

This morning was perfect. I told the waiter when I had to leave, everything came in plenty of time without my having to ask for it and I didn't have to talk to another soul until I'd finished.

By the time I'd left the Marriott I was ready for anyone.

WALL STREET WATCH

Experts Fear That Market Lacks Underlying Strength

By FLOYD NORRIS

New York Times Service

NEW YORK — It takes more than takeover stocks to make a strong stock market, and some analysts are starting to worry that this market has little else to offer. Those concerns were intensified last week when the Dow Jones industrial average fell 1.5 percent, its worst weekly performance in more than two months, despite the flurry of takeover action and speculation.

In terms of the major averages, that decline came after the market had reached its highest levels in a year. The Standard & Poor's 500-stock index and the New York Stock Exchange composite average had even climbed above their levels of Oct. 16, 1987, the Friday before the crash.

But by some other measures, the market has been far less healthy. John A. Mendelson, a technical analyst at Dean Witter Reynolds Inc., points to the advance-decline line for NYSE issues as a reason to be worried. It is a leading measure of what is known as market breadth.

That line, using Jan. 1 as a zero base, is formed by adding to the previous day's figure the number of stocks that rose each day, and subtracting the number that fell. It rises if most stocks go up on most days, but lately that has not been happening.

The advance-decline line hit its high for the year so far in March, at a time when the Dow climbed to 2,087, then a post-crash high. The Dow reached higher levels in April, July and again this month, but each high on the average was matched by a smaller and more anemic rise in the advance-decline line.

"Virtually every major stock market decline has been preceded by a significant divergence between the popular averages and the advance-decline line," Mr. Mendelson said.

He noted that this divergence dates from March and is thus seven months old, the same period of time between the peak in breadth in the spring of 1987 and the big bear market that began December of that year. In 1987, the advance-decline line peaked in March, while the market averages kept climbing until August, a five-month lag.

TODAY'S takeover stocks may simply be a distraction from underlying market weakness, Mr. Mendelson said, much as the "Nifty 50" were in 1972. Those stocks, favorites of the era such as Xerox and Avon, rose ever higher late that year as money managers concluded that they would keep on climbing. Their ascent masked weakness in many other issues. When the market fell, the Nifty 50 were among the hardest hit.

If last week's slippage in the advance-decline line continues to the point where the figure falls below the low reached on Sept. 1, Mr. Mendelson said, it "would be a serious negative development for the stock market."

The NYSE advance-decline line is not the only measure of market weakness. Neither the NASDAQ composite average nor the American Stock Exchange market-value index rose to new 1988 highs in October, and the breadth picture in those markets is even grimmer than the one on the New York Stock Exchange.

The barometer is not necessarily forecasting a sharp fall, however. Anthony W. Tabell, managing director of Tabell, Harvey, Tabell Inc., sees parallels to the bull markets that began in 1946 and 1978. Both saw poor market breadth the first year, and were followed by lackluster markets. He sees a pattern for some time "in which the market essentially goes nowhere."

Currency Rates

| Cross Rates | | | | | | | | | |
|--------------|--------|--------|--------|---------|--------|--------|--------|---------|---------|
| | S | E | D.L. | F.F. | H.L. | Gdr. | B.F. | S.F. | Yen |
| Amsterdam | 1.9725 | 1.9595 | 1.1728 | 0.2304 | 0.1534 | 0.5797 | 0.1292 | 1.0402 | 1.0402 |
| Brussels (c) | 37.09 | 44.01 | 2.0055 | 4.143 | 2.3107 | 15.95 | 2.3107 | 24.9235 | 2.9774 |
| Frankfurt | 1.7484 | 3.14 | 0.293 | 0.1346 | 0.0667 | 4.769 | 1.1875 | 1.1875 | 1.1875 |
| London (b) | 1.7675 | — | 3.1933 | 10.2613 | 2.3203 | 5.5588 | 0.617 | 22.0265 | — |
| Milan | 1.7814 | 2.9425 | 7.0315 | 27.39 | 6.0275 | 15.68 | 0.633 | 16.53 | 16.53 |
| Paris | 1.7863 | 1.7863 | 0.6775 | 0.4975 | 0.214 | 3.745 | 1.5044 | 12.7625 | — |
| Tokyo | 12.64 | 22.81 | 7.9255 | 0.1654 | 0.0215 | 3.345 | 0.1288 | — | — |
| Zurich | 1.493 | 2.6571 | 0.9419 | 0.3465 | 0.1128 | 4.769 | 0.4741 | — | 1.1709 |
| 1 ECU | 1.171 | 0.6585 | 2.0721 | 7.9724 | 1.5181 | 2.3348 | 0.4584 | 1.7442 | 14.6105 |
| 1 SDR | 1.3487 | 0.7414 | 2.3801 | 9.12 | 1.7424 | 2.6871 | 0.5728 | 2.0041 | 16.2439 |

Closings in London, Tokyo and Zurich. Ratings in other centers. New York closing rates. Oct. 27.

④ Commercial franc b: To buy one pound; c: To buy one dollar; d: Units of 100; f: fcc: not quoted; h: not available.

| Other Dollar Values | | | | | | | | | |
|---------------------|--------|---------------|--------|--------------------|--------|---------------|--------|----------|--------|
| Currency | Per \$ | Currency | Per \$ | Currency | Per \$ | Currency | Per \$ | Currency | Per \$ |
| Aryen, netherl. | 12.12 | Fr. 2.72 | 4.214 | Grec. drach. | 14.50 | S. Afr. rand | 2.6445 | Yen | 1.0402 |
| Austral. \$ | 1.223 | Greek drach. | 14.50 | N. Zealand \$ | 1.1956 | Soviet ruble | 2.671 | Yen | 1.0402 |
| Aust. schfl. | 22.43 | Hong Kong \$ | 2.7875 | N. West Afr. naira | 4.1232 | Soviet ruble | 2.671 | Yen | 1.0402 |
| Baht, Tha. B. | 2.621 | Irish £ | 0.6702 | Swiss franc | 0.615 | Taiwan \$ | 2.671 | Yen | 1.0402 |
| Baht, Tha. B. | 2.621 | Irish £ | 0.6702 | Phil. peso | 2.621 | Taiwan \$ | 2.671 | Yen | 1.0402 |
| Canadian \$ | 1.2192 | Irish £ | 0.6702 | Portuguese esc. | 14.60 | Thal. baht | 2.5265 | Yen | 1.0402 |
| Chinese yuan | 3.7221 | Israeli shek. | 1.046 | Swiss franc | 0.615 | Turkish lira | 1.6730 | Yen | 1.0402 |
| Danish krona | 6.821 | Kwacha | 2.0005 | Tunis. dinar | 1.9790 | U.S. dollar | 2.671 | Yen | 1.0402 |
| Egypt, pound | 2.3124 | Malta, lira | 0.784 | U.S. dollar | 2.671 | Venez. boliv. | 2.72 | Yen | 1.0402 |

New York rates unless marked * (local rate)

| Forward Rates | | | | | | | | | |
|---------------|---------|---------|---------|----------|----------|----------|----------|----------|----------|
| Currency | 30 days | 60 days | 90 days | 120 days | 180 days | 240 days | 360 days | 480 days | 600 days |
| 3.7221 | 3.7221 | 3.7221 | 3.7221 | 3.7221 | 3.7221 | 3.7221 | 3.7221 | 3.7221 | 3.7221 |
| 1.223 | 1.223 | 1.223 | 1.223 | 1.223 | 1.223 | 1.223 | 1.223 | 1.223 | 1.223 |
| 1.7484 | 1.7484 | 1.7484 | 1.7484 | 1.7484 | 1.7484 | 1.7484 | 1.7484 | 1.7484 | 1.7484 |
| 1.7863 | 1.7863 | 1.7863 | 1.7863 | 1.7863 | 1.7863 | 1.7863 | 1.7863 | 1.7863 | 1.7863 |
| 1.0402 | 1.0402 | 1.0402 | 1.0402 | 1.0402 | 1.0402 | 1.0402 | 1.0402 | 1.0402 | 1.0402 |

④ Commercial bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAI (dinar, riyal, dirham); Gobson (London); Other data from Reuters and AP.

Interest Rates

| Eurocurrency Deposits | | | | | | | | | |
|-----------------------|---------|--------|-------------|------------|------|------|------|------|------|
| | Dollar | D-Mark | Swiss Franc | French Fr. | Yen | ECU | SDR | Yen | Yen |
| 1 month | \$14.50 | 4.70 | 30.36 | 11.70 | 7.00 | 4.10 | 7.00 | 6.70 | 6.70 |
| 2 months | 15.00 | 4.70 | 30.36 | 11.70 | 7.00 | 4.10 | 7.00 | 6.70 | 6.70 |
| 3 months | 15.50 | 4.70 | 30.36 | 11.70 | 7.00 | 4.10 | 7.00 | 6.70 | 6.70 |
| 4 months | 16.00 | 4.70 | 30.36 | 11.70 | 7.00 | 4.10 | 7.00 | 6.70 | 6.70 |
| 1 year | 16.50 | 4.70 | 30.36 | 11.70 | 7.00 | 4.10 | 7.00 | 6.70 | 6.70 |

Sources: Morgan Guaranty (Dollar); D-M, SF, Pound, FFF, yen); Lloyds Bank (ECU); Reuters (SDR).

④ D-M: Dollar rate; SF: Swiss franc rate; ECU: European currency unit; Yen: Japanese yen.

Deposits in billions of dollars, unless marked * (millions of dollars for equivalent).

Interest rates apply to interbank deposits of \$1 million minimum for equivalent.

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Interest rates apply to interbank deposits of \$1 million minimum for equivalent.

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

| | 12 Month High | 12 Month Low | Stock | DIV. Yld. | PE | \$s. High | \$s. Low | Open Chg. | Close Chg. |
|--------------------|------------------|-----------------|-------|-----------|-----|-----------|----------|--------------|---------------|
| 12/24 2192 Hilton | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2193 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2194 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2195 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2196 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2197 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2198 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2199 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2200 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2201 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2202 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2203 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2204 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2205 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2206 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2207 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2208 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2209 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2210 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2211 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2212 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2213 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2214 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2215 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2216 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2217 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2218 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2219 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2220 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2221 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2222 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2223 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2224 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2225 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2226 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2227 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2228 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2229 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2230 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2231 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2232 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2233 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2234 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2235 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2236 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2237 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2238 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2239 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2240 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2241 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2242 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2243 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2244 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2245 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2246 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2247 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2248 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2249 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2250 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2251 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2252 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2253 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2254 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2255 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2256 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2257 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2258 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2259 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2260 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2261 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2262 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2263 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2264 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2265 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2266 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2267 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2268 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2269 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2270 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2271 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2272 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2273 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2274 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2275 Holiday | 150 | 124 | 124 | 4.95 | 470 | 50 | 48 | - | - |
| 12/24 2276 Holiday | 150 | 124 | | | | | | | |

BUSINESS ROUNDUP

Budget Rent-A-Car to Be Bought Out

Compiled by Our Staff From Dispatchers

CHICAGO — Budget Rent-A-Car Corp. will be acquired for \$313 million by an investment group led by Gibbons, Green and American Ltd. and Budget's management in a deal financed primarily by Ford Motor Co., officials said Monday.

Budget, the third largest rental car company in the United States and the only one still publicly held, said that Beech Holdings Corp. would pay \$30 a share for the Chicago-based company's 11.1 million shares outstanding.

Budget shares rose \$10 Monday in over-the-counter trading to \$27.125.

The deal was struck Sunday in New York, a Budget spokeswoman, Jody Wilson, said.

This will be the second time in two years that Budget has been taken private by Gibbons, Green and Budget's management. Budget went public in May 1987 at \$14 a share. It was previously held by Transamerica Corp., which sold Budget in 1986 in a leveraged buyout to Gibbons, Green and Budget's senior management.

Budget will be merged into a subsidiary of Beech Holdings, a newly formed corporation. Beech's voting nonparticipating common equity will be owned by the Fullcrum II limited partnership, in which Gibbons, Green is general partner.

Budget said its present management group would invest in voting participating preferred stock and would continue to run the company.

The acquisition will be financed primarily by Ford through an investment in nonvoting preferred stock of Beech Holdings. In return, Budget and Ford have signed a long-term supply contract continuing their existing supply relationship; it was not immediately clear whether Ford would supply more cars to Budget under this contract.

More than 60 percent of Budget's cars come from Ford.

The amount of Ford's investment was not disclosed, and a spokesman did not know how much of Beech Holdings would be owned by Ford through its preferred stock holdings.

Neither Ford nor Budget officials could immediately comment on whether Ford's interest in Budget might pose antitrust problems.

Budget reported a 57 percent advance in third-quarter earnings, to \$8.3 million from \$5.6 million in the third quarter of 1987. Revenues rose 32 percent to \$152.1 million, from \$115.6 million in the same 1987 quarter.

Budget ranks behind the No. 1 rental-car group, Hertz Corp., and Avis Inc. Ford already has a stake in Hertz, and earlier this year arranged the sale of a 20 percent stockholding in the company to a U.S. subsidiary of Volvo AB of Sweden. (AP, Reuters)

Pension Funds Reluctant Players in KKR Bid for Nabisco

By Anise C. Wallace

New York Times Service

NEW YORK — Most of the cash behind the \$20.3 billion buyout offer for RJR Nabisco Inc. will be provided by the retirement funds of Coca-Cola Co., Georgia-Pacific Corp. and United Technologies Corp.; the endowment funds of the Massachusetts Institute of Technology and Harvard, and the pension funds for state employees of New York, Iowa and Michigan, among others.

These investors along with some banks will be providing about \$2 billion of the total buyout cost. The actual investment by each partner varies. The rest of the money needed for the buyout will come from bank loans and bondholders.

Although the organizations are not prohibited from backing unsolicited takeover attempts like the one being made by Kohlberg, Kravis, Roberts & Co. for RJR Nabisco Inc., the use of their money in this deal could embarrass the investors. These executives and officials may not want to be viewed as threatening the management of one of the best-known companies in the United States.

"Hostile deals bother us — sure they bother us. We're invested in this deal whether we like it or not," said Robert A. Bowman, state treasurer of Michigan. His state retirement fund is a participant in the deal.

"We're invested in this deal whether we like it or not. I think all the investors would get nervous."

The identities of investors in partnerships like the Kohlberg, Kravis fund is typically considered a private matter.

State laws in Delaware, where the partnership is on file, do not require that the names be made available to the public. However, a list of the partners in this fund was made available to The New York Times by one of the investors involved.

Among the more than 70 partners in the buyout fund are two of RJR Nabisco's corporate neighbors in Atlanta — Coca-Cola and Georgia-Pacific.

Over the weekend, officials at Georgia-Pacific confirmed that their pension fund was a partner in the buyout fund. But John F. McGovern, senior vice president for legal affairs, declined to comment on the company's policy toward using pension assets to finance unwelcome takeovers of other companies.

Randal W. Donaldson, manager of media relations for Coca-Cola, explained that his company's pension fund

made the commitment to Kohlberg, Kravis at the same time that Coca-Cola bought a subsidiary of Bechtel Cos. and earlier leveraged buyout financed by Kohlberg, Kravis.

"We have made no additional commitments to that pool, and we have no voice in how those funds are utilized," he said.

In addition to Coca-Cola and Georgia-Pacific, other companies that have committed a portion of their pension

'Hostile deals bother us — sure they bother us. We're invested in this deal whether we like it or not.'

Robert A. Bowman, Michigan treasurer

funds include Avon Products Inc., Chevron Corp., Hughes Aircraft Co., International Telephone & Telegraph Corp., Ralston Purina Co. and United Technologies.

The partners in the Kohlberg, Kravis, Roberts-1987 Fund have not actually transferred their capital to the buyout vehicle. Under the terms of the limited partnership agreement, however, the group has agreed to commit equity capital of more than \$5 billion, which Kohlberg, Kravis can use to make investments.

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Any portion of that huge capital pool can be raised within a matter of days when Kohlberg, Kravis makes a so-called capital call to its partners. Kohlberg, Kravis has said that it plans to spend \$2 billion in equity from this fund to finance the RJR Nabisco buyout.

The list of partners in the Kohlberg, Kravis buyout fund is impressive, including names of some of the country's largest corporations, its most prestigious educational institutions and some of the largest banks in the world.

Among the educational and nonprofit organizations that are backing the buyout fund are Harvard University, the Massachusetts Institute of Technology, Swarthmore College and the Salvation Army. Also included as equity investors are several domestic and overseas banks.

Last week Alan Greenspan, chairman of the Federal Reserve, in a letter sent to a congressional committee, raised the question of whether banks might find themselves overexposed after investing in these huge deals if a recession occurs.

Among the banks participating in the Kohlberg, Kravis buyout are Bankers Trust Co., Bank of New York, Chase Manhattan Bank, First National Bank of Chicago, Manufacturers Hanover Trust, Security Pacific and Wells Fargo Bank.

Foreign institutions include Canadian Imperial Bank, Industrial Bank of Japan, Mitsui Life, Mitsui Trust and Nippon Credit of Japan, British Telecom and Credit Agricole of France.

Unilever Buys SCM Unit From Hanson of Britain

Reuters

LONDON — Unilever PLC, the British-Dutch foods and consumer goods conglomerate, agreed Monday to buy Durkee Industrial Foods Corp. from a U.S. unit of Hanson PLC for a total of \$185 million.

Durkee, a maker of specialty oils, bakery and confectionery products for the food service and processing industries, was acquired by Hanson, the aggressive British company known for its U.S. takeovers, as part of Hanson's purchase of SCM Corp. in 1986.

Hanson paid \$930 million for SCM. The Durkee deal means that Hanson has now realized approximately \$1.2 billion from the sale of SCM businesses.

The transaction comes at a time of intense takeover and buyout activity in the food business, particularly in the United States, which is driving up prices of food stocks and making big multinational groups even bigger.

Unilever said it was buying Durkee through its U.S. holding company, Unilever United States Inc. Durkee had operating profit of about \$11.1 million on sales of \$174 million for the year ended Sept. 30, 1987, Unilever said.

Hanson followed a similar strategy with another major recent U.S. acquisition, of Kidde Inc. It bought the group for \$1.6 billion last year, and since has sold off several Kidde businesses.

Unilever's bid for Durkee was the latest in a series of moves by the British-Dutch company to expand its food business in the United States. Unilever has already bought a 20 percent stake in the food service unit of Philip Morris Inc. and is in talks with Philip Morris about buying its U.S. food business.

Philip Morris' chairman, Mr. Maxwell, said he was prepared to make an offer for Durkee that was at least as good as the current value of Durkee's complex \$110 package.

No numbers were mentioned, but both sides felt secure enough

that Philip Morris was trying to "talk the stock down." Speculation advanced by the Philip Morris camp implied that, if Kraft continued to resist, Philip Morris might begin looking at other food companies.

By last Thursday, Kraft's stock had fallen by \$3, to \$94.50.

Kraft's stock jumped \$2, to \$96.50, on Friday with traders expecting some development. Philip Morris' directors had voted unanimously last Wednesday to authorize Mr. Maxwell to negotiate with Kraft.

Shortly after the close of the exchange Friday, advisers to the companies set the deal in motion.

Philip Morris said it was prepared to make an offer for Kraft that was at least as good as the current value of Kraft's complex \$110 package.

No numbers were mentioned, but both sides felt secure enough

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But instead of continuing to bid, Mr. Maxwell attacked the "feasibility" and "the real value" of Kraft's dividend package.

As relations between the two seemed to cool, at least from a public perspective, Mr. Maxwell studiously gave no hint as to what his next step might be; no price increase seemed to be in the cards and traders seemed disinterested.

Some arbitragers complained

KRAFT: Stock Soars as \$13.5 Billion Takeover Is Set

(Continued from first finance page)

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Some arbitragers complained

Bid Battle for Nabisco Appears Less Likely

Compiled by Our Staff From Dispatchers

NEW YORK — The stock of RJR Nabisco Inc. fell Monday as the prospect of a bidding battle for the food and tobacco giant appeared to recede.

Over the weekend, RJR's financial advisers decided that they were unlikely to match the \$20.3 billion bid that has been offered by Kohlberg, Kravis, Roberts & Co., people close to the situation said.

The decision suggests that in the next few days, Kohlberg, Kravis will either back away from its \$90-a-share offer or walk away with the prize if it can line up the necessary financial backing from an

RJR Nabisco's operations that it

had requested to formulate its buyout deal.

Most important to the company's prospects are its own projections of revenues and profits, people close to the situation said.

Those figures will be essential in determining whether the company could support the more than \$15 billion in debt that would be required in a buyout.

F. Ross Johnson, RJR Nabisco's chief executive, started the bidding process in October when he and his chief financial adviser, Shearson Lehman Hutton, announced that they were contemplating a buyout offer at \$75 a share.

They were clearly surprised by Kohlberg, Kravis's offer. "The \$90 close at \$84 a share on the New York Stock Exchange.

Over the weekend, Kohlberg, Kravis started to receive the confidential financial information on RJR Nabisco's operations that it

had requested to formulate its buyout deal.

The strategy of Mr. Johnson and his financial advisers seems to be to see whether Kohlberg, Kravis will attempt to lower its bid once it examines the company's data.

A source close to Kohlberg, Kravis indicated that pulling back seemed unlikely at this point. (NYT, Reuters)

■ RJR in China Venture

R.J. Reynolds Tobacco International Inc. has set up China's first joint tobacco venture with Xiamen Cigarette Factory and Xiamen SEZ United Development Co., the official China Daily reported Monday, according to an Agence France-Presse dispatch from Beijing.

The \$21 million venture, 50 percent owned by RJR, will produce 2.5 billion cigarettes a year when it reaches full operation, including the Camel and Winston brands, the newspaper said.

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DOLLAR: Fed Intervention Helps Currency Recover

(Continued from first finance page)
be ready to intervene whenever necessary in the run-up to the election.

"I can't see the Fed is going to let the dollar fall or fly ahead of the election," said David Deakin, senior foreign exchange manager at EBC Amro Bank in London.

Several dealers said they expected further declines once the election is over.

In Frankfurt, dealers reported a sign of Bundesbank moves to support the dollar and said that was unlikely at current rates.

The dollar closed at 1.7835 Deutsche marks in London, up from 1.7757 DM at the close on Friday, but it eased slightly to 1.755 yesterday.

The British pound eased to \$1.7670 against the firming dollar, from \$1.7695, while the U.S. currency rose to 1.5010 Swiss francs from Friday's 1.4962 and to 6.0650 French francs from 6.0650.

Japanese support for the dollar

| London Dollar Rates | Mon. | Fri. |
|---------------------|--------|--------|
| Deutsche mark | 1.803 | 1.787 |
| French franc | 1.800 | 1.798 |
| Swiss franc | 1.7235 | 1.7235 |
| French franc | 1.6020 | 1.6020 |
| Source: Reuters | | |

was modest and had little effect, dealers in London said, but the Fed's move gave the dollar a lift. Most dealers say the Fed mainly hoped to keep any decline in the dollar from damaging the election chances of the incumbent Republican party.

The pound seems to have stopped for now but the dollar is pointed lower in the longer term," said Tim Fox, economist with Barclays Bank Global Treasury Services.

The bearishness is based on a widely held market belief that whoever wins the U.S. election, little or nothing will be done to correct the huge U.S. budget deficit.

The easing of any pressure for higher U.S. interest rates and a feeling that the dollar needs to be lower anyway to help close the trade deficit have contributed, they added.

The pound had a quiet day and ended unchanged from Friday's closing 76.4 on its trade-weighted index. Dealers said the pound was unlikely to move much before Tuesday's autumn economic statement by the chancellor of the Exchequer, Nigel Lawson, when he will update economic targets.

Meanwhile, the Canadian dollar dropped sharply on fears that Canada's pro-business Progressive Conservative government was losing support in the campaign for the country's Nov. 21 election.

The currency closed at 81.58 cents to the dollar, down nearly 1.5 cents from Friday's close of 83.04 cents.

Traders in Ottawa said the market was shocked by a series of weekend polls showing a drop in support for the Progressive Conservatives.

Rand Hits Record Lows Against Most Currencies

JOHANNESBURG — The South African rand, under pressure because of the weak world gold price, fell to record lows Monday against most major currencies.

Traders, recognizing that a low gold price depresses South Africa's export earnings, sold the rand down to 4.39 to the British pound, and it plummeted against the Deutsche mark and the yen. Gold closed at \$41.25 an ounce in London on Monday. The rand dropped to 2.49 to the dollar, near its record low of 2.50.

That level was reached in August 1985, just before international banks cut credit lines to the country amid anti-apartheid pressures.

The rand is in a very vulnerable position following the recent weak performance of the gold price," Trust Bank of Africa Ltd. said in an economic review. "The currency is already under considerable pressure from a weak balance of payments, a worrying decline in the gold and foreign exchange reserve position and very bearish sentiment in general." Gold and foreign currency reserves are at their lowest level since mid-1986.

Rumors swept financial markets on Monday that the government would soon allow a rise in interest rates. There was also speculation of an imminent package of direct import and credit controls.

Economists said that a capital drain, blamed on low real interest rates, disinvestment and heavy debt repayments to foreign banks, were contributing to the rand's slide.

PERRIER: The Competition in U.S. Begins to Stiffen



The New York Times

(Continued from first finance page)
from \$350 million in 1980 to almost \$2 billion last year, and it still holds about 55 percent of France's bottled water market, with such brands as Perrier, Vittel, St-Yorre and Contrexelle.

"Over 40 years, you build something every day, and after 40 years you have something big," Mr. Leven, 74, said in a rare interview.

In early 1946, Mr. Leven's father, the head of a family brokerage firm, asked him to find a buyer for a small spring in southern France that its British owner wanted to sell.

The younger Leven contacted an old family friend, Samuel Bronfman, scion of Seagram Corp. of Canada, to ask whether he wanted to add the Perrier spring to his beverage empire.

Mr. Bronfman asked his friend

to wait until autumn when he

would come to France to visit the spring.

Mr. Leven didn't wait.

He visited the famed bubbling spring in the town of Vergèze, whose springs have been known since Roman times, and decided to buy the spring and its bottling operations even though — or perhaps because — they were in such a

Mr. Leven saw Perrier employees filling the small green bottles by plumping them into the spring by hand. Workers sometimes used their feet to help put the bottle caps on.

Explaining his decision to buy, Mr. Leven said: "When something's in bad condition, you expect to be able to make it better. It was a well-known name with no sales."

Perrier sold 10 million bottles in 1946. By 1952, Mr. Leven and his four partners had boosted sales to 150 million bottles.

He recognized that Perrier had a lot of cachet: Even though its sales were small when he bought it, it was available at most elite bars and hotels in Europe and the United States.

He revolutionized the bottled water business and caught his main

competitors, Evian and Vittel, unaware through a device little used in this soft industry in the 1950s:

mass advertising.

By the mid-1970s, Mr. Leven

steered from 3 million bottles a year in 1976 to 200 million in 1979 as Perrier made its mark.

Today, Perrier accounts for 80 percent of the bottled water imported into the United States.

"I thought that Americans would want to drink something without alcohol or sugar," Mr. Leven said. "It exploded much higher than I ever thought."

In 1980, Perrier bought California and Poland Spring in Maine for undisclosed sums.

At that time, Poland Spring was nearly bankrupt with \$4 million in sales, but by 1987 Perrier had pushed its sales to \$30 million.

"I was against buying Poland Spring," said Ronald V. Davis, president of Perrier's U.S. operations. "Lech Walesa and strikes in Poland were on the front page day after day. I was sure everyone thought that Poland Spring came from Warsaw and it would never work.

"But Mr. Leven had such faith in the American market, he said, 'Let's buy it,' and he was right."

Mr. Leven continued to show his

secretary in a small room in New York, and we thought we couldn't lose very much," he said.

U.S. sales of the little green bot-

Slight Decline in Treasury Rates Expected, Without Action From Fed

By Kenneth N. Gilpin

New York Times Service

NEW YORK — Interest rates on Treasury notes and bonds could move a bit lower, credit market analysts predict, even without the assistance of the Federal Reserve Board.

The Fed's Open Market Committee will tell its monthly meeting this week to discuss monetary policy. And, while recent economic data suggest that economic growth is slowing, inflation is still running at a rate rapid enough to rule out any easing in monetary policy, the analysts said.

"The Fed can't ease policy," said Alan Sos, chief economist at Boston Co., "because inflation is still too high. But the economy is looking soft. That indicates no change Fed policy for the rest of the year, and that's a big plus for the fixed-income markets."

Even without a spur from the central bank, some market participants contend that, in the corporate bond market, the yield curve will continue to benefit Treasury issues.

If that forecast is accurate, the yield curve on short-term and long-term issues will flatten even further, and perhaps become inverted.

It is pretty clear that the government

bond market, despite all of the concerns about inflation, has the benefit of no event risk," said Neal M. Sos, chief economist at First Boston Corp. He was referring to the fact that government bonds are not subject to takeovers or acquisitions as in the corporate bond market, which has been marked by the implications of huge takeover bids for Kraft Inc. and RJR Nabisco.

Because of that risk, capital is being reallocated out of the corporate bond market and into a broad range of other markets, including Treasuries," Mr. Sos said. "Right now, yield curves in some countries, like Britain, are inverted. I wouldn't rule out the possibility of an inverted yield curve here."

By the end of last week, the curve at the short end of the market had already become inverted, meaning that investors are more willing to hold two-year maturities, for example, than to invest in the overnight market for federal funds.

But by Friday, the Treasury's two-year 8½ percent note was offered at a price to yield 8.23 percent. On Monday, the overnight federal funds rate rose to 8½ from 8 percent, where it had been for several weeks.

Scaling pressure on the dollar is likely to

intensify if short-term rates fall much further, however, casting doubt on whether another dip could be sustained.

Strong technical factors continue to bolster the intermediate and long-term sectors of the Treasury market. And, even though the Treasury will announce Wednesday the size of its quarterly refunding auctions, analysts said the new issues should be easily absorbed.

Before the refunding announcement, analysts were projecting that \$26.75 billion worth of new three-year and 10-year notes and 30-year bonds will be sold, beginning Nov. 8.

The estimates are based on the assumption that President Ronald Reagan will sign technical correction legislation that authorizes the Treasury to sell new 30-year bonds.

"The upcoming supply is not a problem," for the market, said Maria Fiorina Ramirez, a managing director at Drexel Burnham Lambert.

A big reason the new debt is likely to be absorbed with little difficulty is because more government bond dealers are pursuing far smaller amounts of marketable debt.

In 1986, Mrs. Ramirez noted, \$180 billion in Treasury debt was distributed among 40

primary dealers. In the fiscal year ended Sept. 30, by comparison, 44 primary dealers were bidding on \$97 billion of net new marketable debt.

The fact that the Treasury has been barred from issuing new 30-year bonds since May has provided a firm underpinning for the current 9½ percent bid/offer issue that matures in 2018. By the end of last week the closely watched bond was offered at a price to yield 8.80 percent, the lowest daily close since it was issued nearly six months ago.

The drop in issuance of new debt is not limited to the government market; supply has also contracted in the corporate, municipal and mortgage markets.

New issuance of corporate bonds, including high-yield, high-risk "junk" bonds, totaled \$22.5 billion in 1985, according to Mrs. Ramirez. So far this year, just \$170 billion has been issued.

The figures for 1986 do not include the recent spate of stunning takeover offers, which will largely be financed by high-yield securities. The importance of those offers, most especially the competing leveraged buyout proposals for RJR Nabisco, continue to reverberate through the corporate bond market.

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| 12 Month High Low Stock | Div. | Yld. | PE | RS | High | Low | 4 P.M. Chg. | 12 Month High Low Stock | Div. | Yld. | PE | RS | High | Low | 4 P.M. Chg. | 12 Month High Low Stock | Div. | Yld. | PE | RS | High | Low | 4 P.M. Chg. | 12 Month High Low Stock | Div. | Yld. | PE | RS | High | Low | 4 P.M. Chg. |
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| 24 10% ADC | | | | | 489 | 474 | 474 | 24 10% ADC | | | | | 489 | 474 | 474 | 24 10% ADC | | | | | 489 | 474 | 474 | 24 10% ADC | | | | | 489 | 474 | 474 |
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BOOKS

AN EMPIRE OF THEIR OWN:
How the Jews Invented Hollywood

By Neal Gabler. Illustrated. 502 pages. \$24.95. Crown Publishers Inc., 225 Park Avenue South, New York, N. Y. 10003.

Reviewed by Christopher Lehmann-Haupt

PERHAPS the point of Neal Gabler's lively history, "An Empire of Their Own: How the Jews Invented Hollywood," is like the story of the three blind men who tried to describe an elephant. Countless observers have written brilliantly about the tail and trunk of Hollywood. But no book has quite gotten the whole animal that Gabler's does.

The point of Gabler's book is "that the American film industry, which Will Hays, president of the original Motion Picture Producers and Distributors of America, called 'the quintessence of what we mean by 'America,'" was founded and for more than 30 years operated by Eastern European Jews who themselves seemed to be anything but the quintessence of America."

Gabler, a film critic and teacher who has served as co-host of the Public Broadcasting System's "Sneak Previews" television show, does two significant things with the theory he has identified.

First, he uses it as an organizing principle for a narrative history of Hollywood. Second, he employs it to explain his characters — why they made the films they did, why they behaved as they did while making those films.

The first use is successful, on the whole. He traces a handful of Jewish movie moguls throughout their long careers: Adolph Zukor of Paramount Pictures, Carl Laemmle of Universal Pictures, William Fox of the Fox Film Corp., Louis B. Mayer of Metro-Goldwyn-Mayer, Harry and Jack Warner of Warner Brothers, and Harry Cohn of Columbia Pictures. By doing so, he has found a way of telling the whole story that is compact and inclusive.

The second use has both its successes and failures. Gabler persuades us that the Hollywood Jews were driven by a "patrimony of failure," their fathers having by and large been destitute and ineffectual, and that the movie industry attracted them because it presented fewer social and financial impediments and because it demanded the sort of judgments of public taste that people from "fashion and retail" were practiced at making.

On the other hand, his chapter on Hollywood politics, called, somewhat lamely, "Refugees and British Actors," after what Senator Gerald Nye in a 1941 speech accused the industry of swarming with, is overextended and murky. It arrives at the not exactly original conclusion that while the Jewish executives were cowardly, expedient, arrogant, stupid and reactionary in response to the Communist witch hunts after World War II, "they were also in the grip of a deep and legitimate fear: the fear that somehow the delicate rapprochement they had established between themselves and this country would be destroyed, and with it their lives."

Christopher Lehmann-Haupt is on the staff of *The New York Times*.

CHESS

By Robert Byrne

THE 12th Interpol International Tournament last month in Tilburg, the Netherlands, was won by Anatoli Karpov in excellent form. The former world champion from the Soviet Union finished the elite double-round competition with a two-point lead over the field and was awarded the first prize of 20,000 guilders (about \$9,800). Second place was captured by the British grandmaster Nigel Short.

In an almost leisurely way, Karpov repulsed an attack by the Dutch grandmaster John Van der Wiel in the ninth round and soon wiped out all resistance by a sharply executed transition to the endgame.

In the popular, flexible Flory-Zaitsev defense to the Ruy Lopez, marked by 9...Bb7, it had become standard for Black to play 12...h6. In playing 12.Qd7, Karpov was harking back to a game between Robert Haeuber and Lajos Portisch in Brussels two years ago. Karpov followed this through 16...b5, when, instead of blocking the position with 16...b4?? as Portisch had done, he kept avenues for counterplay open with 16...Qc7.

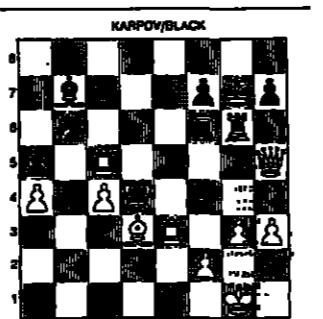
After opening the b line with 17...bc 18 bc, he used moves 18-24 to

mass his forces on the queenside. So intent was he about obtaining active counterplay that he did not hesitate to open the c line with 25...cd!, even though that meant letting the white knights seize outposts with 26.Nd5 and 27.Nf6.

Van der Wiel could not exploit 28.Qb7 by 29.Rb7? because 29...Bc7 30.Nf7 Nc5 31.Nd5 32.Qd3 Bc4 costs White material.

After Karpov had secured his position with 32...Rd8, the pawn a pawn could not long be held. Accordingly, Van der Wiel put his fate in a mating attack with 33.Qd4 g5 34.Bc5 dc 35.Qe5. After 35...g4 36.Qf6 Kg8 37.e7, it was not certain that the former champion could not have snatched a second piece with 37.Rd3 — he could have repelled 38.Rd4 by 38...Rd4 and 38.Qg5 Kf8 39.Rf6 by 39...Nf7? — but he surely established quicker control over the situation with his 37...Rd6.

Van der Wiel could not take the exchange with 44.Bg6 because after 45.Rc7 46.Qd4 Qd2 47.Rf1 Nd7 48.Rg5 Bf3 49.Qh4 Be2 50.Ra4, he would be lost. Karpov's pseudo-queen sacrifice 46.Qe3! ended meaningful resistance. On 47 fe, there would have followed 47...Rg3 48.Kh2 Rg2 49.Kh1 Rg5 50.c4 Rf5 51.Rh5 Rf3 52.Bc2 Be4.



After 53...R3, Van der Wiel gave up.

BUY LOPEZ

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Position after 44...Rd8

After 53...R3, Van der Wiel gave up.

BUY LOPEZ

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BUY LOPEZ

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